2011 Barometer of Social Responsibility

SUSTAINABLE DEVELOPMENT
FIRMLY ROOTED IN
COMPANIES IN BELGIUM

BUSINESS & SOCIETY BELGIUM
Very encouraging progress for Belgium

The results of the barometer are clear: social responsibility has gained acclaim with companies in Belgium. And these companies endorse their social responsibility in a more structured way.

The first survey conducted by Business & Society Belgium a few years ago demonstrated that, despite the wide variety of initiatives in this area, CSR was not really known in companies in Belgium. Of course, there were pioneers who had proven that it was perfectly possible to combine economic efficiency, social progress and respect for the environment. These pioneers paved a path that many others followed afterwards.

It’s roughly this path that the 2011 barometer highlights. We have come a long way since infancy: CSR has gradually reached the stage of maturity. More and more companies see CSR as a source of added value, earning a structured approach. Efforts by organisations such as Business & Society Belgium, incessantly present in the field for the last 10 years, have contributed to this positive evolution, as well as initiatives by federal and regional authorities have.

The next challenge is to improve the quality and impact of CSR. The governments have a role to play, particularly by supporting the use of reporting tools such as the GRI guidelines and the new ISO 26000 standard.

We should not forget that CSR is a concern that goes beyond the companies’ boundaries. NGOs, trade unions and governments also develop new initiatives enabling them to embed CSR in their actions or support others to do so. By uniting all forces, by working together, we can meet future challenges.

Paul Magnette
Minister in charge of Sustainable Development
To celebrate its tenth anniversary, Business & Society Belgium could not have imagined a better milestone than the results of the Corporate Social Responsibility (CSR) Barometer that are presented in this report. 10 short years ago, CSR was still, for many, a subject of discussion rather than a strategic element in the management of a company. In 2011, the present study, which attracted massive participation of 510 Belgian companies, clearly shows that the social, environmental and ethical criteria are widely considered by companies around the world. Even better, they are no longer limited to the practices of large companies but now also reach SMEs and even very small companies.

With the 2011 barometer, we not only wanted to make a quantitative assessment of the state of CSR in companies in Belgium. The questionnaire used in the study closely follows the good practices in the different areas of intervention identified in ISO 26000, the new international SR standard: environment, labour practices, consumer and customer issues, fair operating practices, community involvement and development, human rights and organisational governance.

In addition to the growing involvement of companies in CSR, the survey also reveals a range of elements that are all encouraging signs. Pressure from consumers, customers and employees in the various fields of CSR are now considered by companies as a source of opportunity and innovation for new products and services. CSR is now also seen as leverage, as any other management tool, allowing to detect potential economic risks (instability, scarcity of resources, population ageing, ...) and to come up with an answer. CSR also tends to be integrated into the practices of all companies’ departments, from the design of products and services to after-sales service. Finally, companies are gradually adopting specific goals and measurement tools in order to implement the CSR initiatives and making them reproducible.

We are also proud of another element highlighted by the study. It is clearly shown that being part of a network linked to CSR, such as Business & Society Belgium, has a significant impact on the degree of involvement in CSR, on the variety of initiatives in this area and on the tendency to engage in dialogue with their stakeholders (consumers, local community, suppliers, ...). This will naturally support our mission and we are looking forward to strengthening our role as a centre of reference, an exchange platform and a change engine even more so in the future.

Sabine Denis
Director Business & Society Belgium
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We would also like to thank all companies and individuals who actively participated in the barometer by filling out the questionnaire.
10 highlights of the 2011 barometer

1. 76.1% of the respondents feel that their involvement in sustainable management has increased the last three years and 80% considers it will become even stronger in the next three years.

2. If the involvement of the company's top management remains the primary driver of CSR, customers and consumers have a real impact, as do the investors and the authorities.

3. Nearly 30% of the respondents claim to have remuneration and incentive systems (such as bonuses) that incorporate social, environmental and ethical criteria.

4. Two thirds of the respondents take the environmental aspect in the development of new products or services into account.

5. Over 30% develops specific strategies to sell sustainable products and services.

6. A quarter of the respondents develop programmes that enable them to regularly consult the local community and take part in it.

7. Over 25% set specific objectives to their suppliers in terms of respect of human rights, labour conditions, welfare and safety.

8. 28% has a Code of Conduct that addresses issues relating to human rights.

9. 82.5% of large companies, 65% of SMEs and 44% of very small business, that took part in the 2011 Barometer survey, had a person specifically responsible for CSR.

10. Membership of a network linked to CSR, such as Business & Society Belgium, has a major impact on the degree of business involvement in CSR, the variety of initiatives in this area and the tendency to engage in a dialogue with stakeholders.
The context of the barometer

Corporate social responsibility is no longer an abstract concept reserved for a few sustainable development pioneers. But to what extent do companies commit to CSR in Belgium? What are their main concerns and how do they embody their CSR strategy? So many questions to which Business & Society Belgium and its partners wanted to find quantifiable answers. Vlerick Leuven Gent Management School and Louvain School of Management conducted a study, which served as a scientific and objective basis for the 2011 barometer.

This report is based on data collected through an online survey between May and June 2011 from companies that operate in Belgium.

Just over 500 companies from all regions, all sectors and all sizes combined, responded to every or some part of the questionnaire. Not all questions have necessarily reached 100% response rate.

However, this has not given cause for potential bias pertaining to the overall analysis.

Most respondents are in top management positions (69.2%); middle management comes in second place (22.9%).
In general, companies in all three regions, all sectors, industrial as well as services, and all sizes (from large companies up to very small companies) have participated in the survey. This last point should also be emphasized: the 2011 barometer has collected data from SMEs and very small enterprises (VSEs), two categories of companies which in general hardly participate in CSR surveys (36% of the respondents have between 20 to 249 employees and 26% less than 20).

ISO 26000: the global Social Responsibility reference tool

Trends highlighted through this 2011 barometer at Belgian level mirror a worldwide evolution. In November 2010, ISO, International Organisation for Standardisation, launched ISO 26000, the first international standard defining the social responsibility of organisations. ISO 26000’s goal is to provide guidance for all types of organisations (public, private, NGOs …) enabling them to translate and effectively integrate the principles of social responsibility in their operations. As such, it is an answer to the growing demand for clarification of the different dimensions of CSR. It also aims to provide an international and multi-stakeholder consensus in this field. Adopted in November 2010, it defines SR as the responsibility of an organization for the impact of its decisions and activities on society and the environment, through transparent and ethical behaviour that

- contributes to sustainable development, including health and welfare of society;
- takes into account the expectations of stakeholders;
- is in compliance with applicable law and consistent with international norms of behaviour; and
- is integrated throughout the organization and practised in its relationships.

Specifically, to define the scope of its social responsibility, to identify relevant policy areas and to set its priorities, ISO 26000 recommends that the organisation addresses the following key issues that are included in our report:

Source: International Organization for Standardization
What drives companies to invest in CSR?

The 2011 barometer clearly shows that sustainable management is now deeply rooted in the Belgian economy: a large majority of respondents (76.1%) believes that its involvement in this area has increased over the last three years and over 80% considers it will become even stronger in the next three years. But why do companies decide to engage in different areas related to CSR? The 2011 barometer provides an answer to this question on two different levels: the motivation of companies compared to the benefits they consider to find thanks to a sustainable strategy and the challenges they hope to meet, both in the short and medium term.

The Top 5 reasons given by companies when explaining their involvement in a CSR strategy are firmly positioned in their long term vision: they hope to obtain a positive impact on their reputation, the motivation of their employees, the relationship with their stakeholders, the innovation of their products and services as well as the ability to attract and retain talent.

If the first argument invoked is the **improvement of their reputation**, it is closely followed by the motivation of their **staff**. The second reason is consistent with the statements of companies (see next chapter) according to which they consider their employees as essential and one of their key stakeholders. A CSR strategy may indeed have a very positive impact on the work of employees in different areas:

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<th>WHAT IS THE IMPACT OF YOUR SUSTAINABLE MANAGEMENT PRACTICES ON THE FOLLOWING?</th>
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<td>better reputation</td>
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<td>employees motivation</td>
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<td>building relationships with stakeholders</td>
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<td>contribution to innovation of products/services</td>
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<td>improved ability to attract and retain talent</td>
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motivation, productivity, recruitment, satisfaction, talent retention and the degree of involvement. This importance of motivation is therefore meaningful in a context where as we will see, companies consider the shortage of skilled labour as a major challenge ahead. **Strengthening relationships with stakeholders**, which tops at the third place, is dealt with in a separate section (see page 10).

The fact that the respondents put **the contribution of CSR to innovation** in the Top 5 is also very encouraging. This means that companies perceive many opportunities that CSR can bring them in their economic activity. There is thus a significant shift: if, in the past, CSR was often limited to risk mitigation, it seems at present to create value. However, since the argument of competitive advantage is confined to the bottom of the ranking, this suggests that companies have understood that CSR can be a source of innovation but they do not clearly link it to the opportunity to gain an advantage over their competitors. This position in the Top 5 may also reflect the attitude of companies vis-à-vis the increasing needs and expectations of consumers and customers with regard to CSR.

The bottom place of the argument regarding the increase in financial performance is quite surprising. Respondents do not appear to consider CSR as a way to access new capital and reduce costs. We therefore note that companies develop CSR strategies even if they do not see an immediate financial interest.

Among the top five challenges raised by the companies, three of these (economic instability, shortage of skilled labour and dialogue with stakeholders) are perceived as permanent in time because they appear as today’s challenges but also as expected challenges in the next 10 years. Additionally, a previous study conducted in 2005 by Business & Society Belgium did not indicate dialogue with stakeholders as a priority for companies. What we are dealing with here is a genuine evolution.

In the medium term, we see the emergence of two new concerns: the ageing of the population and the scarcity of resources, two themes followed very closely by the increase in population worldwide. In the long term questions such as labour rights and human rights in general or public health seem to become less important in the eyes of businesses.

Finally, the respective weight of different concerns may vary depending on the sector. Economic instability is perceived as more important in the financial sector. Because of the important representation of this sector among the respondents (11%), this partly explains the fact that this element is at the top of the ranking. The scarcity of resources is a concern which more particularly - and logically – affects the manufacturing sector whilst the industrial sector as a whole attaches much importance to the fight against climate change.

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<td>economic instability</td>
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<td>shortage of skilled labour</td>
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<td>human rights</td>
<td>ageing population</td>
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<td>public health and disease</td>
<td>dialogue with stakeholders</td>
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<td>shortage of skilled labour</td>
<td>scarcity of natural resources</td>
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76.1% feels that their involvement in sustainable management has increased in the last three years and 80% considers it will become even stronger in the next three years.
The influence of the different stakeholders

In order to realise their social responsibility initiatives, companies must communicate with various stakeholders which may on the one hand be an integral part of their organisation (staff, unions, ...) or maintain direct links with its economic activity (customers, suppliers, shareholders, ...) or on the other hand emanate from the wider community (governments, NGOs, ...). It is therefore interesting to examine how companies perceive the influence of these stakeholders on their CSR commitment and identify the type of relationships they have with their stakeholders.

Clearly, when companies need to determine what is the engine that drives them to pursue a CSR strategy, they primarily refer to the top management which ranks first on the list of companies’ internal and external stakeholders.

When analysing the figures pertaining to external stakeholders, companies firstly identify the influence of investors and providers of large capital, then the national or international regulatory bodies and, thirdly, the customers.
What kind of relationship do companies maintain with their stakeholders?

- They have the highest rate of interaction (26.9% of respondents reported having a partnership) with investors / capital providers and to a lesser extent (around 15%) with suppliers, customers and internal stakeholders.
- Links with NGOs are not yet very strong. The survey does not, however, determine whether this is due to the fact that NGOs are not used to interact with companies or vice versa. This result shows in any case an opportunity to better develop the common work between the two parties.

Companies that have a person in charge of CSR are much more active in developing relationships with their stakeholders and work more closely with government agencies and NGOs.

Similarly, companies that are part of a network such as Business & Society Belgium develop more extensive collaboration systems with trade unions and NGOs.

If the involvement of the company’s top management remains the leading driver of the CSR engagement, customers and consumers have a real impact, as do investors and the authorities.
What do companies do with regard to the environment

The environmental impact of businesses is very large: it does not occur only locally, where their business is conducted and might generate pollution or waste, but also on a more global level depending on how they use resources, their greenhouse gases emission, their supply chain, the product life cycle and their distribution system. Controlling the environmental performance therefore requires tools taking into account these different dimensions.

How does this concern translate into the Business & Society Belgium 2011 barometer?

- 66% of the respondents take the environmental aspect into account when developing new products or services. It is a particularly high figure. It shows that the environment has become a major concern for the companies that have clearly identified the change in demand from their customers and consumers in general. They are also well aware that an environmental accident could damage their reputation or would affect their products or services sale. 71% of the respondents take the environmental aspect into account when purchasing new equipment. The link between environmental concerns and economic profit is evident in this case since taking the environmental aspect into account translates into energy savings through better insulation, for example.

- 45% of the respondents conduct internal audits on their environmental practices.

- 34% of the respondents use audits conducted by third parties on their environmental practices.
The study shows that companies consider themselves very active with regards to general environmental concerns such as reducing waste and recycling, disposal of hazardous materials, reducing CO₂ emissions, reducing water consumption and energy. On the other side, when they are asked what specific tools and actions they use to implement these policies, they are more hesitant. This is the case for green techniques regarding construction and renovation, employees’ mobility plans and life cycle analysis.

The mobilisation of companies to raise awareness and educate their employees about environmental issues is remarkable: only 15% of the respondents have no action in this domain.

In general, the environment is a CSR area where companies are involved and where they develop strategic plans and measurement tools. This is partly explained by the fact that the initiatives for the environment are relatively easy to measure and can therefore quite easily lead to the formulation of key performance indicators. Furthermore, there is already a large number of codes of conduct and standards (like ISO) to objectify the initiatives.

Again, we note that large companies (+ 500 employees) have a higher degree of formalisation of their environmental initiatives than smaller structures. It is also quite logical to see that the industrial sector is more mobilised than the services on a whole range of issues such as reducing energy consumption and CO₂ emissions, hazardous products, recycling and renewable energy which is of the greatest priority. However, the industrial sector is less involved than the services sector as far as employees’ mobility plans are concerned.

Two thirds of the respondents take the environmental aspect into account in developing new products or services.
What do companies do with regard to labour practices

Labour practices are an integral part of CSR and cover a wide area: employment and relations between employers and employees, working conditions and social protection, social dialogue, health and safety at work as well as training and personal development.

How does this concern translate into the Business & Society Belgium 2011 barometer?

• 59% of the respondents say they have developed a code of conduct (guidelines for employees) that goes beyond the legal requirements or internal regulations.

• 29% said to have remuneration systems and incentives (such as bonuses) that incorporate social, environmental and ethical criteria.

Companies say they have variable remuneration systems in place that integrate CSR criteria, whether at individual, departmental or company level. The inclusion of CSR criteria in the evaluation and remuneration sends a clear message to employees for a concrete involvement on their part.

• 53% of the respondents regularly carry out satisfaction surveys amongst their employees.
The answers to the survey show that companies have very different levels of involvement according to the problems. We can identify two major distinct categories of concerns in the field of human resources:

- Those that fall under the general work environment: stress, accidents, work/life balance, freedom of association, fight against corruption, career development, benefits and health. In these areas, respondents are generally active and have clear targets and monitoring systems. In the case of accidents, it seems clear that companies are naturally concerned about everything that they are directly responsible for. Their strong involvement in terms of career development is also logically explained by the fact that this has a direct impact on performance. The high figures for the fight against corruption could reflect the strong representativeness of the financial sector in the sample.

- Those that relate more specifically to diversity: number of women on the board, policy vis-à-vis vulnerable workers (disabled people, ethnic minorities, long-term unemployed, ...). In this area, companies are less active. Almost 50% of them reported not to have any specific actions regarding gender balance on the board, employees over 50 years and the categories of most vulnerable workers. This relative immobility should be analysed in the context of the shortage of labour, which companies identify as one of the major challenges for the future.

They will no doubt have to consider the advantages of diversity as an opportunity in the near future.

Firm size and CSR network membership are two factors influencing companies’ involvement in this area. Not surprisingly, big companies (more than 500 employees) can afford to devote more human and financial resources to CSR and go the furthest in the formalisation of their policy, setting specific objectives and implement measurement systems. Similarly, companies that are already members of a network such as Business & Society Belgium are more attentive to issues such as diversity in the workplace.

Nearly 30% of the respondents state to have remuneration systems and incentives (such as bonuses) that incorporate social, environmental and ethical criteria.
What do companies do with regard to **consumer and customer issues**

Companies’ responsibilities vis-à-vis their customers and consumers are very broad. They should, indeed, not only reduce risks associated with using their products or services but also ensure to keep an ethical business approach through, among other things, information and correct commercial techniques and by selling products available to the vulnerable public (elderly, less fortunate people, disabled people, ...). Companies also have a responsibility vis-à-vis the broad public which they can activate by encouraging sustainable consumption.

How does this concern translate into the **Business & Society Belgium 2011 barometer**?

- 23% of the respondents have set up information systems to understand the customer expectations in terms of social, environmental and ethical issues.

- 39% of respondents have a code of conduct or guidelines for a responsible communication. The adoption of ethical criteria (e.g. regarding diversity, the image of women, the quality of information) is generally motivated by the culture of the company itself; however, having an explicit procedure avoids any slippage.

- 40% of the respondents perform regular customer surveys that include questions relating to social, environmental and ethical issues.

- 83% of the respondents have a process for collecting and processing customer complaints.

- 35% of the respondents have one or the other environmental labelling guaranteeing some CSR criteria are complied with.
From the perspective of a sustainable approach vis-à-vis their customers and consumers, companies focus on selling products with a positive impact on the environment and/or the community, as shown in the chart above. It confirms the fact that innovation is a key driver in sustainable engagement: more than 30% of companies develop specific strategies aimed at selling sustainable products. Companies strongly invest in "green" or "socially responsible" innovation.

Data protection and privacy of consumers is a second subject of major concern for companies, particularly in the banking sector. The survey puts customers' health and safety in third position.

Specific aspects of the long-term commitment to customers do still not seem to be common among respondents. These include initiatives to improve the accessibility of products and services for certain categories of vulnerable customers. About 36.4% of companies undertake no action at all.

Among the factors influencing the formalisation of CSR policies in companies, again the presence of a CSR manager and membership of a CSR network are essential. In the first case, there is a greater involvement in consumer education for more sustainable choices. In the second one, the influence is also reflected in a greater sensitivity to put on the market products and services that benefit the environment and the company or are more accessible to vulnerable groups.
What do companies do with regard to fair operating practices

In the current globalised economy, relocation of certain economic activities does not mean the relocation of responsibility or risks that could be related to these activities. Companies have in fact a role throughout their products or services life cycle. It is therefore important that they encourage their suppliers to adopt their own socially responsible behaviour. Consistent supply chain management is now a key element to preserve brand integrity, assure business continuity and control operating costs.

How does this concern translate into the Business & Society Belgium 2011 barometer?

- 29% of the respondents have a code of conduct which they follow in their relationship with their suppliers and which contains social, environmental and ethical criteria.

- 25% introduces clauses containing social, environmental and ethical criteria into their contracts with their suppliers.

- 17% of the respondents have developed an assessment system of social and environmental performance of their suppliers.

- 16% of the respondents carry out visits to their suppliers in order to check their social and environmental performance.
Unanimously, the companies focus on respect for the international conventions regarding labour conditions and human rights. Over 25% of them set objectives for their suppliers in terms of respect for human rights, labour conditions, welfare and safety.

With regard to the environmental criteria by suppliers, we can see their inclusion varies from one sector to another and that industry is investing more heavily than services. In this area, the concern of firms appears to focus rather on the use of products that respect the environment than on suppliers’ global environmental performance, as the former usually yields quick and easy results.

Over 30% of the respondents state not to conduct any specific action to assist their suppliers to comply with laws, regulations and international conventions relating to CSR or to integrate these principles in their business. Having a proactive attitude vis-à-vis the suppliers requires the company to have integrated CSR within its own boundaries before it can share it with others. It also requires adequate human and financial resources. The largest enterprises (500 + employees) are the most active in supporting their suppliers CSR engagement.

Having activities in Asia, Africa, the Middle East and Latin America also influences companies’ involvement vis-à-vis their suppliers. Companies operating on these continents more frequently control the respect for human rights and labour conditions of their suppliers. They encourage their suppliers and subcontractors to include social, environmental and ethical criteria in their activities. They also appear more active in supporting their business partners to comply with labour, health, well-being and environmental regulations.

Companies with a person in charge of CSR are more likely to worry about the behaviour of their suppliers. As for the member companies of a CSR network such as Business & Society Belgium, they are more proactive in encouraging and supporting their suppliers CSR engagement.

Over 25% of the respondents set specific targets for their suppliers in terms of human rights, labour conditions, welfare and safety.
What do companies do with regard to community involvement and development

Everyone acknowledges today the role of companies vis-à-vis the communities that surround them. By the very nature of their activities, they provide jobs and economic development. Their role goes even a lot further. Companies can indeed support social or cultural projects. And they can contribute to collective efforts concerning education and health.

How does this concern translate into the Business & Society Belgium 2011 barometer?

• 25% of the respondents develop programmes to regularly consult the local community and to take part in its activities.

• 10% of the respondents regularly evaluate the satisfaction rate of the local community.

It should be noted that community involvement and development is the CSR dimension where companies least measure their CSR initiatives and least follow quantifiable goals.
The chart above reflects the low involvement of companies vis-à-vis the local communities: 34% of the respondents do not engage in any action in favour of economic development of local communities where they operate - at least beyond job creation - and 60% has in no way analysed the impact of their products or services on these local communities. The services sector, however, allows more employees to spend time with the community by participating in activities in its favour (through volunteering, for example).

The commitment of companies vis-à-vis society happens mainly in the form of financial support or in-kind donations. However, even then, only 17.7% of the respondents have set explicit targets.

As far as community investment is concerned, businesses too often still show a "reactive" attitude in response to specific requests of its employees or the community in favour of a charity. However, this does not prevent them from having a strategic vision. Indeed, projects selection is mainly based on the relationship between the projects and the company core business. This is especially applicable to large firms (27.4% of the 500 + employees for 21.3% of SMEs and 18.9% of VSEs). These seem to adopt a rather strategic approach towards community investment as opposed to a more opportunistic approach as we can see in smaller structures. The survey shows indeed the latter are more influenced by the personal choice of the CEO (18.9% of SMEs and 18.2% of VSEs as opposed to 9.7% in large companies).

A quarter of respondents develop programmes that enable them to regularly consult the local community and to participate in its activities.
What do companies do with regard to human rights

In the list of criteria listed under ISO 26000, the human rights are valued according to a double dimension: the civil and political rights on the one hand (freedom of speech, right to live and to be free, equality treatment before the law ...) and economic, social and cultural rights on the other (right to access food and education, right to social protection, right to decent health care,...). If nations are required to enforce these rights, companies are expected to translate the respect of these different aspects in their activities. Businesses must also establish mechanisms allowing those who feel they have been harmed to make a stand and seek redress. These mechanisms do not substitute the existing legal channels.

We are addressing the integration of actions concerning the respect for human rights in business operations. Respect for human rights in relation to suppliers and contractors is addressed in a separate section.

How does this concern translate into the Business & Society Belgium 2011 barometer?

• 28% of the respondents have a code of conduct that addresses issues related to human rights.

• 11% of the respondents train their employees or trading partners (intermediates, suppliers, subcontractors, ....) on human rights issues.

• 25% of the respondents have a system to collect complaints about violations of human rights.

• 9% has an audit system to check compliance with human rights.
The companies that have operations overseas (Asia, Africa, Middle East and Latin America) appear the most active in all aspects of human rights. An observation to be related with the 35.5% of companies which set goals aimed at prohibiting child labour and forced labour.

This theme is by nature largely integrated into the practices of companies operating in Belgium. It does not necessarily require companies to set specific actions, as they do for other CSR dimensions, beyond compliance with the existing legal and regulatory framework. This is probably why only a small percentage of firms implement actions for the protection of human rights (12.8% to 21.3% depending on the item) or have specific objectives in this area (from 20.1% to 35.5%).

28% of the respondents have a code of conduct that addresses issues pertaining to human rights.
Organisational governance is essential in the deployment of the company CSR strategy. In order for CSR commitment to mainstream throughout the organisation beyond lip service, the company must establish mechanisms (processes, systems, structures), reinforced by the appointment of a person or a service in charge of CSR. Being member of a CSR network, where companies can get information and exchange best practices is undoubtedly an asset for CSR to mainstream at all and any level of the company.

In 2011, the implementation of CSR has become a separate activity in the majority of companies in Belgium: 66.3% of the respondents claim to have one or more employees spending time on CSR and 53.5% have a manager specifically responsible for actions in the area of responsible management.

The survey results are even more encouraging as they reveal a wide awareness. While large companies are more likely to have personnel who regularly spend time on the implementation of CSR practices or a manager who is specifically responsible for CSR (with respectively 82.5% and 70.6%), average companies are also well placed in this respect (between 65 and 69%, depending on size, for staff who dedicate time and 46% for specific managers). It is noteworthy - this is probably the most amazing figure - that small businesses (~20 employees) have people responsible for CSR (44% in the case of dedicated staff and 39% in the case of specific managers). These results can also be explained in part by the fact that companies that agreed to participate in the survey are generally pro-active in this field.

Quite logically, the survey also shows that large companies more often have a service or department dedicated to CSR than smaller entities.
IN WHICH DEPARTMENT(S) ARE CSR MANAGERS LOCATED?

The chart above shows that staff who dedicates time to CSR stems from a variety of services: human resources, quality management, services in charge of environmental issues, the strategy department or even the public relations and communication department.

The ranking of Public Relations and Communication department in fifth place may seem a bit surprising as companies claim the initiatives of sustainable development have first and foremost an impact on their reputation. A closer examination of the results however, shows that Public Relations and Communications comes in second place in large companies and it ranks on top when considered together with the Sales and Marketing department (in many companies, there is no clear cut separation between PR & Communications and Sales & Marketing).

In small companies (- 20 employees), people involved in CSR are most frequently those in charge of strategic issues, probably because CSR is the responsibility of the CEO, who often has several functions.

Exchange among peers

The 2011 Barometer results establish an evident correlation between the companies belonging to a CSR network and the extent of their involvement in this area. These networks not only allow to acquire accurate knowledge but also to promote a valuable exchange of best practices among peers.

Overall, 30% of the respondents say to be part of one or more CSR networks in Belgium. Networks mainly host large businesses (42.2% of the respondents in this category state they belong to one or more networks). However, SMEs (34.3%) and even very small companies (33.7%) are sometimes active in one or more networks, a very positive trend as the Belgian business landscape is dominated by small entities.

More specifically, concerning Business & Society Belgium, 30.9% of the respondents know the network and 12% are members, allowing it to occupy the first place of active networks in Belgium, frequented by the respondents.

NETWORK MEMBERSHIP OR AFFILIATION

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<td>Business &amp; Society Belgium</td>
<td>12%</td>
</tr>
<tr>
<td>Kauri</td>
<td>8%</td>
</tr>
<tr>
<td>UN Global Compact</td>
<td>5%</td>
</tr>
<tr>
<td>Quadrant CCI</td>
<td>4%</td>
</tr>
<tr>
<td>CSR Europe</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>8%</td>
</tr>
<tr>
<td>None</td>
<td>70%</td>
</tr>
</tbody>
</table>

82.5% of large companies, 65% of SMEs and 44% of VSEs, respondents to the 2011 Barometer had a person specifically responsible for CSR.
Conclusions

Corporate social responsibility is expanding

The survey clearly shows that CSR is no longer a topic for large companies only. Even if they more often have a strategy in this area and take more diversified actions, the 2011 Barometer shows that SMEs and even VSEs also take into account CSR criteria in their activities. This trend seems to become even stronger in the future: 76.1% of the respondents feel that their involvement in sustainable management has increased over the last three years and 80% consider this involvement will become even stronger in the next three years.

CSR is beneficial for the company’s business

Companies now clearly identify the potential benefits of their CSR activities. They see the positive impact on their (brand) reputation and are now aware of the impact their commitment may have at large: on employee motivation, on relationships with various stakeholders, on products and services innovation. However, they do not clearly see the financial benefits yet.

Priority to the environment

Customer relations are at the forefront among CSR dimensions companies focus on. However, taking into account that customer focus is at the very heart of companies’ management, it is the environment that mainly triggers companies to set clear objectives, measurement tools and audits. However, for themes such as human rights, which are already firmly rooted in Belgian legislation, and issues related to the local community, we see a lower degree of formalisation for CSR actions.
**Conclusions**

**Sustainable development firmly rooted in companies in Belgium**

**CSR strategy is getting more professional**

Most companies now have people (employees dedicating time or specific managers) in charge of CSR, or even a whole CSR department. This is especially true for large companies, which have more resources to be allocated to this type of policy. However, even the smallest organisations more and more frequently dedicate people to CSR. We also note that companies more often go the extra mile, well beyond ad-hoc actions in many areas, and often have a strategy, action plans, objectives and evaluation tools related to CSR.

**Appointing a CSR responsible is key for companies’ CSR engagement**

The results indicate that having a person in charge of CSR, whether an employee or a manager, has a significant impact on the involvement as shown by the graph below. It is therefore particularly encouraging to see that more and more companies in Belgium have a person or a service in charge of CSR: 82.5% of large companies, 65% of SMEs and 44% of very small businesses, interviewed for the 2011 Barometer, had a person specifically in charge of CSR.
CSR networks make a difference

Belonging to a network disseminating knowledge on CSR and allowing the exchange of best practices among peers is also a factor having a decisive impact on the implementation of CSR in businesses. The chart below shows that members of Business & Society Belgium have a higher rate of involvement in all dimensions than companies that are not members.

Company size is a crucial factor for the formalisation of CSR

Even if there is a progressive involvement of SMEs and VSEs regarding the implementation of CSR, large companies still lead the way, as shown in the chart below. This can be explained by their superior ability to unlock human and financial means.
Conclusions

Management involvement is crucial

The 2011 barometer confirms the data gained from other studies on the importance of top management in the implementation of CSR dimensions in economic activity. Whether motivated by members of an executive committee or by the owner of a small business, it is indeed often personal mobilisation that triggers companies’ engagement in CSR. This is also clearly identified by the interviewed companies since respondents place top management on top of the list of influential stakeholders, whether internal or external, when it comes to implementing a CSR policy in the company.

CSR can provide answers to the companies’ challenges

CSR can provide appropriate responses or allow for exploring new avenues for current or future challenges. For example, taking diversity into account will address expected labour shortage. Similarly, attention paid to production methods and life cycle analysis provides alternatives in view of scarcity of natural resources. As such, CSR is therefore now a privileged leverage to act on an economic level.

And the future?

The 2011 barometer conducted by Business & Society Belgium shows that companies operating in Belgium are more and more aware of the importance of CSR, all sectors and all sizes combined. By addressing their environmental, social and economic performance, these companies both act in their own interest and in the interest of their stakeholders and society as a whole. Not surprisingly, respondents are probably the companies which are the most pro-active in CSR but the trends highlighted by the survey are encouraging. If companies’ statements hold true, this positive trend is expected to reinforce in the future. To be confirmed in the next edition of Business & Society Belgium Barometer...

In Belgium, CSR is no longer for large companies only.
Véronique Graham
Business & Society Belgium is a business network with over 80 companies and business associations from various sectors, that want to integrate Corporate Social Responsibility (CSR) in their activities. Business & Society Belgium offers them a platform, a place to meet and to exchange best practices and experiences, as well as support and tools for the implementation of CSR.

www.businessandsociety.be

Valérie Swaen
The Louvain School of Management (LSM) is a Business School that has recently brought together management departments of two major academic players of the French-speaking part of Belgium: the IAG of the Catholic University of Louvain (Louvain-la-Neuve) and the Catholic University Faculties of Mons (FUCaM). In 2010 it was ranked the first Management School in Belgium in the Financial Times for its sales engineer programme.

www.uclouvain.be/lsm

Céline Louche
Founded in 1953 by Professor Baron André Vlerick, the Vlerick Gent Leuven Management School is today one of the leading schools of Management, in Belgium and in Europe. Close contacts with the business world, on an international level, allow it to offer students programmes based on practice, in collaboration with numerous companies and organisations.

www.vlerick.com

Isabelle Callens
The Federation of Enterprises in Belgium (FEB) is the emanation and the voice of companies of all sizes and from across the country, representing key industry sectors of construction and services. The FEB also acts in favour of creating an optimal business environment and plays an active role in departments for strategic thinking on economic and commercial opportunities in short, medium and long term.

www.vbo-feb.be

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Federation of Chambers of Commerce and Industry in Belgium

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In the framework of this 2011 barometer, the CSR areas (excluding suppliers) are evaluated using a “sliding scale” designed to allow for the assessment of the commitment, implementation and degree of formalisation of CSR in companies. The gradations of the scale are the following:

<table>
<thead>
<tr>
<th>Level</th>
<th>LABEL</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>No specific actions</td>
<td>Your organisation does not undertake specific actions in this respect beyond the compliance with the law (if there is legislation on this subject).</td>
</tr>
<tr>
<td>1</td>
<td>'Ad hoc' actions</td>
<td>Your organisation has undertaken some initiatives / &quot;ad hoc&quot; actions (or non-integrated) regarding this subject that go beyond legal requirements.</td>
</tr>
<tr>
<td>2</td>
<td>1+ action plan</td>
<td>Level 1 + Your organisation has developed a written policy/code and/or action plan.</td>
</tr>
<tr>
<td>3</td>
<td>2+ measure</td>
<td>Level 2 + Your organisation has developed a system for measuring and/or follow up in order to identify and control this subject.</td>
</tr>
<tr>
<td>4</td>
<td>3+ objectives</td>
<td>Level 3 + Your organisation has developed a systematic way of working in a continuous improvement perspective that for example includes objectives, performance indicators and audit systems.</td>
</tr>
<tr>
<td></td>
<td>I do not know</td>
<td>You do not know whether or not your organisation is working on this specific topic.</td>
</tr>
<tr>
<td></td>
<td>Not applicable</td>
<td>This subject is not applicable to your organisation.</td>
</tr>
</tbody>
</table>

Colophon

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